

DOCKET FILE COPY ORIGINAL

LAWRENCE W. BIERLEIN  
DOUGLAS M. CANTER  
JOHN M. CUTLER, JR.  
ANDREW P. GOLDSTEIN  
STEVEN J. KALISH  
RICHARD D. LIEBERMAN  
HARVEY L. REITER

LAW OFFICES  
**MCCARTHY, SWEENEY & HARKAWAY, P.C.**  
SUITE 600  
2175 K STREET, N.W.  
WASHINGTON, D. C. 20037  
(202) 393-5710

FACSIMILE  
(202) 393-5721

E-MAIL  
MSH@MSHPC.COM

WEBSITE  
HTTP://WWW.MSHPC.COM

OF COUNSEL  
WILLIAM I. HARKAWAY  
KAREN R. O'BRIEN  
DANIEL J. SWEENEY

July 6, 2000

MAILED  
JUL 6 2000  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Magalie Salas, Esq.  
Secretary  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

ATTN: Common Carrier Bureau

RE: **REQUEST FOR REVIEW BY AMES BUSINESS & LEARNING  
ENVIRONMENTS, INC. OF DECISION OF UNIVERSAL SERVICE  
ADMINISTRATOR TO WITHHOLD FUNDS DUE AND OWING WITHOUT  
NOTICE AND REQUEST FOR EXPEDITED TREATMENT  
FCC Docket Nos. 97-21 and 96-45.**

Dear Secretary Salas:

Enclosed is an original and four copies of Ames Business & Learning Centers request for review of the decision of the Universal Service Administrator captioned above, and request for expedited treatment.

Respectfully submitted,

MCCARTHY, SWEENEY & HARKAWAY, PC

By



Richard D. Lieberman

Counsel to Ames Business & Learning Environments,  
Inc.

Enclosure

cc: CEO, Universal Service Administrative Company

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

JUL 6 2000  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554

In the Matter of: )  
)  
Request for Review by Ames Business ) FCC Docket Nos. 97-21 & No. 96-45  
& Learning Environments, Inc. of )  
Decision of Universal Service )  
Administrator )  
)

To: The Commission

**REQUEST FOR REVIEW BY AMES BUSINESS & LEARNING ENVIRONMENTS OF  
DECISION OF UNIVERSAL SERVICE ADMINISTRATOR TO WITHHOLD FUNDS  
DUE AND OWING WITHOUT NOTICE AND REQUEST FOR EXPEDITED  
TREATMENT**

Pursuant to 47 C.F.R. §§54.719(c) & 54.722, Ames Business & Learning Environments, Inc. ("Ames"), through its undersigned counsel, hereby requests review of a decision by the Universal Service Administrator<sup>1</sup> to withhold funds presently due and payable to Ames for discounts granted schools and libraries pursuant to Section 254 of the Telecommunications Act of 1934, 47 U.S.C. §254 (the "Act"), 47 C.F.R. Part 54. Ames has exhausted its administrative remedies via letter dated June 26, 2000 to USAC, in which it requested a reversal of the USAC decision to withhold funds. USAC failed to respond by the date requested in Ames's June 26<sup>th</sup> letter, and Ames has deemed this failure a denial of its request.<sup>2</sup> In addition to the filing of this

---

<sup>1</sup> Hereinafter referred to as "USAC" or "Universal Service Administrative Company," which is the Universal Service Administrator per 47 C.F.R. §54.5.

<sup>2</sup> The letter to USAC, which is attached hereto at Exhibit 1, notes that there are no rules concerning a decisional timeframe by USAC to act on these types of petitions. The letter explicitly stated that "as of five days from the date of receipt of this letter, Ames shall deem its petition denied by the Committee [of USAC] unless the Committee advises Ames otherwise in writing prior to that date, and establishes a reasonable time frame for [USAC] Committee decision. Ames shall further consider that such a deemed denial represents the decision of the [USAC] Committee.

request for review of USAC's decision, because of the severe economic impact that the withholding of funds has on Ames, which is a small business with only 50 employees and annual revenue of less than \$3 million, Ames requests expedited treatment by the Federal Communications Commission ("FCC" or the "Commission").

## **I. MOTION FOR EXPEDITED TREATMENT**

Ames respectfully requests that the Commission grant expedited treatment for this request for review. Although 47 C.F.R. §54.724 grants the Commission 90 days to act on appeals of USAC decisions, such an extended period of time could have grave consequences on Ames. As explained below, more than \$600,000 in payments are being improperly withheld by USAC. As other invoices are submitted by Ames, it is clear that USAC is likely to withhold payments on them as well. Ames is unable to withstand such a severe cashflow shortage, and may be placed in a precarious economic position if it must wait 90 days. Furthermore, Ames could be forced to terminate all Universal Service work if USAC payments are not forthcoming. For these reasons, Ames requests expedited treatment by the Commission.

## **II. QUESTION PRESENTED**

The question presented is: May USAC withhold funds lawfully due and owing to Ames without providing notice of the reasons for the withholding and without granting Ames an opportunity to comment upon and refute such reasons.

---

reviewable by the FCC pursuant to 47 C.F.R. §54.720(a).” The USAC never responded to its request letter; accordingly, Ames rightfully considers its request to have been “deemed denied” by USAC.

### III. BACKGROUND

Ames has been providing service to schools and libraries for several years pursuant to Section 254 of the Act. Until recently, SLD had properly and faithfully discharged its duties under the Act for services provided to Ames under the Schools and Libraries universal service support mechanism. USAC made payments to Ames upon presentation of proper invoices pursuant to Service Provider Funding Commitment Decision Letters ("FCDL") which have committed SLD to making payments to Ames for the discounts.<sup>3</sup> On June 16, 2000 Ames made a routine inquiry concerning payments pursuant to its invoices, and discovered that SLD had issued a directive to withhold all payments due and owing to Ames.<sup>4</sup> The total amount of unpaid invoices as of June 26, 2000 was \$679,599.61. A recap of all unpaid invoices owed to Ames is provided at Exhibit 2.

While making inquiries concerning the reasons for the lack of payment, Ames was directed to the USAC Director of Service Provider Support ("DSPS"), Ms. Ellen Wolfhagen. Ames contacted Ms. Wolfhagen on June 16, 2000 and she advised that she was in the process of auditing Ames' invoices, and had placed a hold or temporary stop payment on all payments to Ames. Ms. Wolfhagen would not disclose any reason for the withholding, nor would she state any audit findings that gave rise to the withholding of these funds that are due and payable immediately to Ames. When contacted by the undersigned counsel on June 21, 2000, Ms.

---

<sup>3</sup> The FCDL specifically notes that the letter commits USAC, through its Schools and Library Division ("SLD") to "reimburse service providers for the discounts for the service" and also states that the funding commitment decision in the FCDL "represents the total amount of funding that the SLD is now reserving to reimburse service providers for the discounts..." Essentially, the FCDL represents a contract with the service provider that the SLD will pay to the service provider (Ames in this case) the amount of the discount shown in the various Federal Communications Commission ("FCC") forms and applications for the Universal Service Program pursuant to the Act. As such, the SLD and USAC are in breach of their contract to make payment to Ames for the discounts to which the SLD committed in the various FCDLs.

<sup>4</sup> This request for review is therefore timely submitted pursuant to 47 C.F.R. § 54.720 within 30 days of the "issuance of the decision by a division or Committee" of USAC. The decision by USAC was not made known to Ames at the

Wolfhagen again declined to disclose the reasons for the withholding or any findings concerning Ames' invoices.<sup>5</sup>

On June 26, 2000, Ames requested immediate review by the Schools and Libraries Committee of USAC of the decision to refuse payment on proper invoices, and USAC's refusal to provide reasons to Ames for such withholding. (See Exhibit 1). USAC's failure to respond to that letter was deemed as a denial of Ames's request. See note 2, supra.

#### **IV. ARGUMENT: WITHHOLDING FUNDS DUE AND OWING TO AMES WITHOUT ANY STATED REASON VIOLATES DUE PROCESS OWED TO AMES**

USAC has refused to make payments that are due and owing to Ames pursuant to proper invoices. Without question, this is a denial of property rights (i.e. denial of a payment of money) to Ames, and such a denial requires notice and process as directed by the Fifth Amendment of the U.S. Constitution. The Commission cannot permit such a denial of due process.

The central meaning of procedural due process is quite clear: "Parties whose rights are to be affected are entitled to be heard; and in order that they may enjoy that right they must be notified." Fuentes v. Shevin, 407 U.S. 67, 80 (1972), citing Baldwin v. Hale 1 Wall 223, 133.

The Fuentes case also points out that a fair process of decision making requires both notice and an opportunity to be heard.

The requirement of notice and an opportunity to be heard raises no impenetrable barrier to the taking of a person's possessions. But the fair process of decision-making that it guarantees works, by itself, to protect against arbitrary deprivation of property. For when a person has an opportunity to speak up in his own

---

time it was made, and Ames did not discover the existence of the decision until June 16, 2000. Ames properly filed a request to USAC within 30 days, which was deemed denied on July 3, 2000 as explained above.

<sup>5</sup> On June 21, 2000, Ms. Wolfhagen stated that SLD was withholding payments on 10 Ames invoices and all 27 line items on those invoices. Ames has been unable to reconcile Ms. Wolfhagen's figures with its records, and is separately requesting clarification from the DSPS.

defense, and when the State must listen to what he has to say, substantively unfair and simply mistaken deprivations of property interests can be prevented. It has long been recognized that ‘fairness can rarely be obtained by secret, onesided determination of facts decisive of rights ... [And n]o better instrument has been devised for arriving at truth than to give a person in jeopardy of serious loss notice of the case against him and opportunity to meet it.’

Fuentes, 407 U.S. at 81, quoting Joint Anti-Fascist Refugee Committee v. McGrath, 341 U.S. 123, 170-172 (Frankfurter, J. concurring).

Ames seeks only the due process guaranteed to its by the Fifth Amendment of the Constitution, namely, notice of the reasons for withholding of the funds by USAC and an opportunity to be heard as to the reasons why payment is proper. In its request, Ames seeks only to be accorded reasonable due process – including notice of the reasons for withholding, which USAC has specifically refused to provide, and an opportunity to respond to those reasons in order to obtain the funds rightly owed to it by USAC.

## **V. REQUEST FOR RELIEF**

Ames strongly objects to the USAC withholding of funds, particularly without providing to Ames any reasons for questioning the invoices. This is a direct due process violation as noted above. No USAC auditor or analyst has ever contacted Ames for the purpose of obtaining an understanding of the invoices, or for the purpose of determining the reasons why the invoices were constructed as submitted. USAC’s refusal to pay proper invoices is a direct breach of its FCDL, which is a contract with Ames to pay Ames the discounts for which the FCDL was issued. Accordingly, the USAC actions are a denial of Ames’s property rights.

USAC’s actions are particularly questionable since most of the schools have already accepted the services provided by Ames as being in compliance with program requirements, and

have paid the portion of the contract that Ames billed to such schools. There is no question that Ames provided the services.

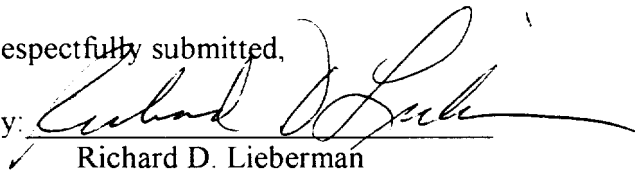
Ames recognizes that the FCDL advises service providers that they are "subject to post-funding commitment audits and other reviews by the [USAC] to assure that the discounts are being used in compliance with program rules." Ames does not question the right of USAC to audit. However, due process requires that any withholdings be based on a clear-cut allegation of noncompliance with the program rules, which allegation USAC has specifically refused to identify to Ames. Furthermore, any withholding of payments on invoices relating to payments committed via FCDLs is a breach of contract, absent good cause shown. No such good cause has been offered or shown by USAC.

Ames requests that the Commission immediately direct USAC to make payments to Ames pursuant to the disputed invoices. Alternatively, Ames requests that the Commission require USAC to (1) immediately to notify Ames of the reasons for the withholding of funds; (2) grant Ames an opportunity to submit statements and clear up any issues; (3) consider those statements from Ames in good faith; and (4) release funds based on USAC's review of Ames's submittals.

Respectfully submitted,

Dated: July 6, 2000

By:



Richard D. Lieberman

MCCARTHY, SWEENEY & HARKAWAY, PC  
2175 K St., NW, Suite 600  
Washington, DC 20037  
Tel: 202-393-5710  
Fax: 202-393-5710

Counsel to Ames Business & Learning Environments, Inc.  
Inc.

LAWRENCE W. BIERLEIN  
DOUGLAS M. CANTER  
JOHN M. CUTLER, JR.  
ANDREW P. GOLDSTEIN  
STEVEN J. KALISH  
RICHARD D. LIEBERMAN  
HARVEY L. REITER

OF COUNSEL  
WILLIAM I. HARKAWAY  
KAREN R. O'BRIEN  
DANIEL J. SWEENEY

LAW OFFICES  
**MCCARTHY, SWEENEY & HARKAWAY, P.C.**  
SUITE 600  
2175 K STREET, N.W.  
WASHINGTON, D. C. 20037  
(202) 393-5710  
##.

FACSIMILE  
(202) 393-5721

E-MAIL  
MSH@MSHPC.COM

WEBSITE  
HTTP://WWW.MSHPC.COM

June 26, 2000

Received by

Printed Name

Date

Ms. K.G. Ouye  
Chair  
Schools and Libraries Committee  
Universal Service Administrative Company  
2120 L St., NW  
Suite 600  
Washington, DC 20037

RE: In the Matter of: Request for Review by Ames Business & Learning  
Environments, Inc. of Decision of Universal Service Administrator

Dear Ms. Ouye:

Pursuant to 47 C.F.R. §54.719(a), Ames Business & Learning Environments, Inc. ("Ames"), 2915 W. Fairview St., Chandler, AZ 85224, Phone 480-345-9868, Fax 480-899-1915, by its undersigned attorneys, hereby requests immediate Schools and Libraries Committee ("SLC-USAC" or "Committee") review of an action taken by the Schools and Library Division ("SLD") of the Universal Service Administrative Company ("USAC") to withhold funds presently due and payable to Ames for discounts granted schools and libraries pursuant to Section 254 of the Telecommunications Act of 1934, as amended, 47 U.S.C. §254 (the "Act"), 47 C.F.R. Part 54. The decision to withhold these amounts due and payable to Ames was made by the USAC, SLD, Director of Service Provider Support ("DSPS"), on behalf of USAC.

Ames requests that the SLC-USAC immediately direct the Director of Service Provider Support to release and pay all funds due and owed to Ames.

I. BACKGROUND

Ames has been providing service to schools and libraries for several years pursuant to Section 254 of the Act. Until recently, SLD had properly and faithfully discharged its duties under the Act and made payments to Ames upon presentation of proper invoices pursuant to Service Provider Funding Commitment Decision Letters ("FCDL") which have committed SLD

EXHIBIT 1



to making payments to Ames for the discounts.<sup>1</sup> On June 16, 2000 Ames made a routine inquiry concerning payments pursuant to its invoices, and discovered that SLD had issued a directive to withhold all payments due and owing to Ames.<sup>2</sup> The total amount of unpaid invoices as of June 26, 2000 is \$679,599.61. A recap of all unpaid invoices owed to Ames is provided at the Enclosure.

While making inquiries concerning the reasons for the lack of payment, Ames was directed to the DSPS, Ms. Ellen Wolfhagen. Ames contacted Ms. Wolfhagen on June 16, 2000, and she advised that she was in the process of auditing Ames's invoices, and had placed a hold or temporary stop payment on all payments to Ames. Ms. Wolfhagen would not disclose any reason for the withholding, nor would she state any audit findings that gave rise to the withholding of these funds that are due and payable immediately to Ames. When contacted by the undersigned counsel on June 21, 2000, Ms. Wolfhagen again declined to disclose the reasons for the withholding or any findings concerning Ames's invoices.<sup>3</sup>

## II. REQUEST FOR RELIEF

Ames strongly objects to the SLD's withholding of funds, particularly without providing to Ames any reasons for questioning the invoices. This is a direct due process violation. No SLD auditor or analyst has ever contacted Ames for the purpose of obtaining an understanding of the invoices, or for the purpose of determining the reasons why the invoices were constructed as submitted. SLD's refusal to pay proper invoices is a direct breach of its FCDL, which is a contract with Ames to pay Ames the discounts for which the FCDL was issued. This is particularly questionable since most of the schools have already accepted the services provided by Ames as being in compliance with program requirements, and have paid the portion of the contract that Ames billed to such schools. There is no question that Ames has provided the services.

Ames recognizes that the FCDL advises service providers that they are "subject to post-funding commitment audits and other reviews by the SLD to assure that the discounts are being used in compliance with the program rules." Ames does not question the right of SLD to audit. However, due process requires that any withholding be based on a clear-cut allegation of noncompliance with the program rules, which allegation the DSPS has specifically refused to identify to Ames. Furthermore, any withholding of payments on invoices relating to payments

---

<sup>1</sup> The FCDL specifically notes that the letter commits SLD to "reimburse service providers for the discounts for the service," and also states that the funding commitment decision in the FCDL "represents the total amount of funding that the SLD is now reserving to reimburse service providers for the discounts...." Essentially, the FCDL represents a contract with the service provider that the SLD will pay to the service provider (Ames in this case) the amount of the discount shown in the various Federal Communications Commission ("FCC") forms and applications for the Universal Service Program pursuant to the Act. As such, the SLD and USAC are in breach of their contract to make payments to Ames for the discounts to which the SLD committed in the various FCDLs.

<sup>2</sup> This petition is therefore timely submitted pursuant to 47 C.F.R. §54.720 within thirty days of the "issuance of the decision by a division or Committee" of USAC. The decision by USAC was not made known to Ames at the time it was made, and Ames did not discover the existence of the decision until June 16, 2000.

<sup>3</sup> On June 21, 2000, Ms. Wolfhagen stated that SLD was withholding payments on "10 Ames invoices and all 27 line items on those invoices." Ames cannot reconcile Ms. Wolfhagen's figures with its records, and is separately requesting clarification from the DSPS.

committed via FCDLs is a breach of contract, absent good cause shown. No such good cause has been offered or shown.

### III. EXHAUSTION OF REMEDIES

Ames has been advised by the DSPS as well as the USAC General Counsel (Mr. Scott Barash) that there are no rules concerning the decisional timeframe for the Schools and Libraries Committee to act on this petition. Ames believes that the Committee should be able to make a final decision within 5 days of receipt of this letter. Accordingly, as of five days from the date of receipt of this letter, Ames shall deem its petition denied by the Committee unless the Committee advises Ames otherwise in writing prior to that date, and establishes a reasonable time frame for Committee decision. Ames shall further consider that such a deemed denial represents the decision of the Committee, reviewable by the FCC pursuant to 47 C.F.R. §54.270(a).

Accordingly, Ames requests that the Committee immediately direct the SLD to make payments pursuant to the disputed invoices immediately to Ames.

Very truly yours,

MCCARTHY, SWEENEY & HARKAWAY, PC

By   
Richard D. Lieberman

Counsel to Ames Business & Learning  
Environments, Inc.

Enclosure

cc: Ellen Wolfhagen

Ames Business & Learning Environment, Inc.  
Reconciliation of outstanding invoices owed by Universal Service for Schools and Libraries  
as of June 26, 2000

| FCC Form 471                                 |                |                    |           |                                  |                               |                      |
|--|----------------|--------------------|-----------|----------------------------------|-------------------------------|----------------------|
| Invoice Date                                 | Invoice Number | Application Number | #, #, FRN | School Name                      | Discount Amount Billed to SLD | Total Invoice        |
| 05/12/2000                                   | 104337         | 142970             | 227862    | St. Joseph School                | \$ 870.75                     |                      |
| 05/12/2000                                   | 104338         | 142970             | 227859    | St. Joseph School                | 483.74                        |                      |
|  |                |                    |           | Subtotal                         |                               | \$ 1,354.49          |
| 05/08/2000                                   | 104207         | 147018             | 287257    | Crane Elementary School District | 21,570.44                     |                      |
| 05/08/2000                                   | 104208         | 147018             | 287254    | Crane Elementary School District | 4,782.31                      |                      |
|  |                |                    |           | Subtotal                         |                               | 26,352.75            |
| 05/08/2000                                   | 104190         | 153584             | 273674    | Morristown School District #75   | 6,620.59                      |                      |
| 05/08/2000                                   | 104191         | 153584             | 273673    | Morristown School District #76   | 2,865.00                      |                      |
| 05/08/2000                                   | 104286         | 153584             | 273674    | Morristown School District #77   | 7,339.30                      |                      |
| 05/08/2000                                   | 104293         | 153584             | 273673    | Morristown School District #78   | 557.07                        |                      |
| 05/08/2000                                   | 104294         | 153584             | 273673    | Morristown School District #79   | 51.00                         |                      |
|  |                |                    |           | Subtotal                         |                               | 17,432.96            |
| 05/10/2000                                   | 104307         | 145328             | 290917    | White River Unified School Dist. | 1,390.61                      |                      |
| 05/10/2000                                   | 104307         | 145328             | 290917    | White River Unified School Dist. | 10,774.73                     |                      |
| 05/10/2000                                   | 104308         | 145328             | 294258    | White River Unified School Dist. | 12,165.34                     |                      |
|  |                |                    |           | Subtotal                         |                               | 24,330.68            |
| 05/22/2000                                   | Parker990-2    | 147235             | 281716    | Parker School District           | 96,115.35                     |                      |
| 05/23/2000                                   | Parker990-2    | 147235             | 281720    | Parker School District           | 28,026.43                     |                      |
| 05/24/2000                                   | Parker990-2    | 147235             | 281721    | Parker School District           | 66,143.56                     |                      |
|  |                |                    |           | Subtotal                         |                               | 190,285.34           |
| 05/12/2000                                   | 104344         | 147235             | 281720    | Parker School District           | 2,712.84                      | 2,712.84             |
| 05/25/2000                                   | Douglas3       | 141235             | 222199    | A. Avenue                        | 25,744.08                     |                      |
| 05/25/2000                                   | Douglas3       | 141235             | 222204    | Carlson                          | 35,496.24                     |                      |
| 05/25/2000                                   | Douglas3       | 141235             | 222207    | Clawson                          | 28,046.14                     |                      |
| 05/25/2000                                   | Douglas3       | 141235             | 222210    | Douglas Junior High              | 49,499.54                     |                      |
| 05/25/2000                                   | Douglas3       | 141235             | 222214    | Farras                           | 29,198.20                     |                      |
| 05/25/2000                                   | Douglas3       | 141235             | 222216    | Douglas High School              | 47,176.90                     |                      |
| 05/25/2000                                   | Douglas3       | 141235             | 222221    | Huber Junior High                | 51,439.90                     |                      |
| 05/25/2000                                   | Douglas3       | 141235             | 222222    | Maryvale                         | 16,710.71                     |                      |
| 05/25/2000                                   | Douglas3       | 141235             | 222228    | Marley                           | 38,360.43                     |                      |
| 05/25/2000                                   | Douglas3       | 141235             | 222247    | Stevenson                        | 33,118.74                     |                      |
|  |                |                    |           | Subtotal                         |                               | <u>354,790.88</u>    |
| Total 474 invoices submitted and outstanding |                |                    |           |                                  |                               | 617,259.94           |
| 06/14/2000                                   | Bouse001       | 147212             | 241574    | Bouse Elementary School District | 62,339.67                     |                      |
| Total 472 invoices submitted and outstanding |                |                    |           |                                  |                               | 62,339.67            |
| Total outstanding owed to AMES               |                |                    |           |                                  |                               | <u>\$ 679,599.61</u> |

x

Note: Invoice 104207 and 104208 dated 5/08/00 for Crane Elementary School District replaced invoiced 04/12/00 for the same amount. According to Ames records the invoiced dated 04/12/00 should be voided and the invoiced dated 05/01/00 should be considered a reissue.

ENCLOSURE

Ames Business & Learning Environment, Inc.  
Reconciliation of outstanding invoices owed by Universal Service for Schools and Libraries  
as of June 26, 2000

| FCC Form 471                                 |                |                    |           |                                  |                               |                      |
|--|----------------|--------------------|-----------|----------------------------------|-------------------------------|----------------------|
| Invoice Date                                 | Invoice Number | Application Number | #, #, FRN | School Name                      | Discount Amount Billed to SLD | Total Invoice        |
| 05/12/2000                                   | 104337         | 142970             | 227862    | St. Joseph School                | \$ 870.75                     |                      |
| 05/12/2000                                   | 104338         | 142970             | 227859    | St. Joseph School                | 483.74                        |                      |
|  |                |                    |           | Subtotal                         |                               | \$ 1,354.49          |
| 05/08/2000                                   | 104207         | 147018             | 287257    | Crane Elementary School District | 21,570.44                     |                      |
| 05/08/2000                                   | 104208         | 147018             | 287254    | Crane Elementary School District | 4,782.31                      |                      |
|  |                |                    |           | Subtotal                         |                               | 26,352.75            |
| 05/08/2000                                   | 104190         | 153584             | 273674    | Morristown School District #75   | 6,620.59                      |                      |
| 05/08/2000                                   | 104191         | 153584             | 273673    | Morristown School District #76   | 2,865.00                      |                      |
| 05/08/2000                                   | 104286         | 153584             | 273674    | Morristown School District #77   | 7,339.30                      |                      |
| 05/08/2000                                   | 104293         | 153584             | 273673    | Morristown School District #78   | 557.07                        |                      |
| 05/08/2000                                   | 104294         | 153584             | 273673    | Morristown School District #79   | 51.00                         |                      |
|  |                |                    |           | Subtotal                         |                               | 17,432.96            |
| 05/10/2000                                   | 104307         | 145328             | 290917    | White River Unified School Dist. | 1,390.61                      |                      |
| 05/10/2000                                   | 104307         | 145328             | 290917    | White River Unified School Dist. | 10,774.73                     |                      |
| 05/10/2000                                   | 104308         | 145328             | 294258    | White River Unified School Dist. | 12,165.34                     |                      |
|  |                |                    |           | Subtotal                         |                               | 24,330.68            |
| 05/22/2000                                   | Parker990-2    | 147235             | 281716    | Parker School District           | 96,115.35                     |                      |
| 05/23/2000                                   | Parker990-2    | 147235             | 281720    | Parker School District           | 28,026.43                     |                      |
| 05/24/2000                                   | Parker990-2    | 147235             | 281721    | Parker School District           | 66,143.56                     |                      |
|  |                |                    |           | Subtotal                         |                               | 190,285.34           |
| 05/12/2000                                   | 104344         | 147235             | 281720    | Parker School District           | 2,712.84                      | 2,712.84             |
| 05/25/2000                                   | Douglas3       | 141235             | 222199    | A. Avenue                        | 25,744.08                     |                      |
| 05/25/2000                                   | Douglas3       | 141235             | 222204    | Carlson                          | 35,496.24                     |                      |
| 05/25/2000                                   | Douglas3       | 141235             | 222207    | Clawson                          | 28,046.14                     |                      |
| 05/25/2000                                   | Douglas3       | 141235             | 222210    | Douglas Junior High              | 49,499.54                     |                      |
| 05/25/2000                                   | Douglas3       | 141235             | 222214    | Farras                           | 29,198.20                     |                      |
| 05/25/2000                                   | Douglas3       | 141235             | 222216    | Douglas High School              | 47,176.90                     |                      |
| 05/25/2000                                   | Douglas3       | 141235             | 222221    | Huber Junior High                | 51,439.90                     |                      |
| 05/25/2000                                   | Douglas3       | 141235             | 222222    | Maryvale                         | 16,710.71                     |                      |
| 05/25/2000                                   | Douglas3       | 141235             | 222228    | Marley                           | 38,360.43                     |                      |
| 05/25/2000                                   | Douglas3       | 141235             | 222247    | Stevenson                        | 33,118.74                     |                      |
|  |                |                    |           | Subtotal                         |                               | <u>354,790.88</u>    |
| Total 474 invoices submitted and outstanding |                |                    |           |                                  |                               | 617,259.94           |
| 06/14/2000                                   | Bouse001       | 147212             | 241574    | Bouse Elementary School District | 62,339.67                     |                      |
| Total 472 invoices submitted and outstanding |                |                    |           |                                  |                               | 62,339.67            |
| Total outstanding owed to AMES               |                |                    |           |                                  |                               | <u>\$ 679,599.61</u> |

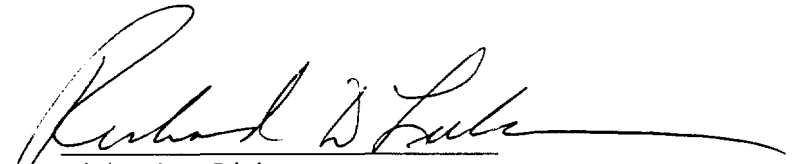
x

Note: Invoice 104207 and 104208 dated 5/08/00 for Crane Elementary School District replaced invoiced 04/12/00 for the same amount. According to Ames records the invoiced dated 04/12/00 should be voided and the invoiced dated 05/01/00 should be considered a reissue.

*EXHIBIT 2*

## CERTIFICATE OF SERVICE

I hereby certify that on July 6, 2000, I caused to be hand-delivered a copy of **REQUEST FOR REVIEW BY AMES BUSINESS & LEARNING ENVIRONMENTS OF DECISION OF UNIVERSAL SERVICE ADMINISTRATOR TO WITHHOLD FUNDS DUE AND OWING WITHOUT NOTICE AND REQUEST FOR EXPEDITED TREATMENT** to Ms. Cheryl Parrino, CEO, Universal Service Administrative Company, 2120 L Street, NW Suite 600, Washington, DC 20037.



Richard D. Lieberman